

SECRET

02 AUG 1982

MEMORANDUM FOR: [REDACTED] 25X1
Legislative Liaison Division
Office of External Affairs

FROM: [REDACTED] 25X1
Deputy Director of Finance

SUBJECT: Allegations Concerning U.S. Government
Assistance in Immigration/Naturalization
of Alleged Nazi War Criminals

REFERENCES: a. Letter for Chairman, Permanent Select
Committee on Intelligence from DCI,
dated 26 May 1982

b. Letter for DCI from Director, GAO,
dated 23 June 1982

1. In response to references a. and b. (attached), the Office of Finance has searched its record systems for any information relating to the subject allegations. No such materials or information surfaced during this effort.

2. The staff report attached to reference a. indicates, in paragraph 7, Agency contact with 40 of the alleged war criminals. Although our records do not reflect direct financial activity involving these individuals, it is conceivable that financial accountings rendered by operations officers could contain payments of an operational nature to or on their behalf.

3. If you have any questions concerning the extent of this search, please contact [REDACTED] OF/Records Management Officer, on extension [REDACTED] 25X1
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Atts - A/S

Not referred to GAO. Waiver applies.

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CL BY SIGNER
DECL OADR
DERIVED FROM Ref. a., Staff Report,
Same Subject

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM					
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OFFICIAL ROUTING SLIP					
TO	NAME AND ADDRESS		DATE	INITIALS	
1	Director Office of Finance				
2	--for PICK UP in 6 E 29				
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X	ACTION	DIRECT REPLY	PREPARE REPLY		
	APPROVAL	DISPATCH	RECOMMENDATION		
	COMMENT	FILE	RETURN		
	CONCURRENCE	INFORMATION	SIGNATURE		
<p>Remarks: RE HOUSE JUDICIARY COMM. INVESTIGATION OF ALLEGED NAZI WAR CRIMINALS ENTRY INTO THE UNITED STATES</p> <p>Ed: I have "yellow-lined" those names mentioned in the attached letter to HPSCI. Please have someone check Finance's records to determine whether you have any information on these individuals. It would also be helpful to check Radio Free Europe and Radio Liberty files.</p> <p>Thanks for your assistance.</p>					
FOLD HERE TO RETURN TO SENDER					
FROM: NAME, ADDRESS AND PHONE NO.				DATE	
OEXA/LLD 7 B 14				16 June 82	
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FORM NO. 1-67 237

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*USGPO: 1975 - 202-953

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Washington, D.C. 20505

26 May 1982

Honorable Edward P. Boland, Chairman
Permanent Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I know I share your concern with respect to allegations by former Department of Justice Attorney John Loftus that the Office of Policy Coordination (OPC) arranged to bring Nazi war criminals into the U.S. I asked for and have received a staff report about this matter which I am forwarding to you.

The Agency has spent considerable time reviewing its files for information about former Nazis who have entered the United States. First, in connection with a 1978 Comptroller General's report (Tab B), later in connection with an investigation of the House Judiciary Committee's Subcommittee on Immigration and Refugee Affairs under the leadership of former Congresswoman Elizabeth Holtzman, and more recently in connection with the Department of Justice's effort to find, denaturalize and deport Nazi war criminals, Agency officials have reviewed the available records on some 500 individuals whose names were submitted to us. In addition to Office of Security and Directorate of Operations files, records of predecessor organizations, such as the Office of Policy Coordination, have been searched. It was on the basis of these searches that the enclosed report has been written.

You can be assured the General Counsel and Deputy Director for Operations will cooperate fully with your Committee in any inquiry into this matter.

Sincerely,

William J. Casey
Director of Central Intelligence

Enclosure

THIS LETTER IS UNCLASSIFIED WHEN
SEPARATED FROM ATTACHMENT

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Staff Report: Allegations Concerning U.S. Government
Assistance in Immigration/Naturalization of
Alleged Nazi War Criminals

1. On 16 May 1982 John Loftus, former Attorney, Office of Special Investigations, Department of Justice, appeared on CBS "Sixty Minutes." During his appearance on television, Loftus claimed that Frank Wisner smuggled Nazi war criminals into the United States as part of an operation of the Office of Policy Coordination (OPC). These allegations arise in a historical context summarized below. []

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2. John Loftus stated that OPC functioned as an arm of the State Department. According to the final report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities of the United States Senate (the Church Committee), "OPC's budget and personnel were appropriated within CIA allocations, but the DCI had no authority in determining OPC's activities. Policy guidance -- decisions on the need for specific activities -- came to the OPC director from State and Defense, by-passing the DCI." Church Committee Report, Book I at 106. The Church Committee Report goes on to state that Admiral Hillenkoetter, DCI from 1947 (when CIA was formed) until 1950, "resented the fact that he had no management authority over OPC.... Hillenkoetter's clashes with the State and Defense Departments as well as with Frank G. Wisner, the Director of OPC, were frequent. Less than a week after taking office [as DCI in 1950, Walter Bedell] Smith announced that as DCI he would assume administrative control of OPC and that State and Defense would channel their policy guidance through him rather than through Wisner.... Between 1950 and 1952 Smith took several interim steps to encourage coordination between [OPC and OSO]. In August 1952 OSO and OPC were merged into the Directorate for Plans." Id. at 108. []

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3. Although it is not clear from Loftus' television appearance, Loftus knows of the history of OPC as stated in the Church Committee Report. In the first draft of his book, Belarus, submitted for review by CIA, Loftus stated, "OPC was designed to take its orders from a joint State-Defense Department Committee.... Wisner and the OPC were to remain independent of the CIA's control but not of its budget." Belarus (first draft July 1981), by John Loftus at 9/19. Loftus goes on to state

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that, "[i]n 1950, General [Walter Bedell] Smith called Wisner into his office and told him point blank that from now on any guidance from the Military and the State Department to OPC would first come through his desk. Wisner refused.... Between 1950 and 1952, OPC and OSO operated on paper as separate divisions of the Directorate of Plans of the CIA.... OPC continued to operate in much the same independent manner as before." Id. at 10/25 - 10/26. []

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4. The passages quoted above from Loftus' manuscript are consonant with the Church Committee Report, although the manuscript reflects Loftus' interpretation of the facts to the effect that Wisner operated independently in the face of any and all attempts to establish control over OPC. []

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5. In 1978, at the request of the Congress, the General Accounting Office (GAO) investigated allegations of a widespread conspiracy to obstruct probes of alleged Nazi war criminals living within the United States. As part of its investigation, the GAO submitted to CIA for traces the names of 111 alleged Nazi war criminals residing in the United States. As is reflected in the final report issued by the GAO in 1978, CIA cooperated fully in this investigation. []

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6. Shortly after the GAO issued its report, an Office of Special Investigations (OSI) was established within the Department of Justice to investigate and prosecute Nazi war criminals who entered the United States illegally. Since its establishment, OSI has submitted to CIA for traces over 350 names of alleged Nazi war criminals residing within the United States. Included within this list were 18 Byelorussians provided by John Loftus when he worked for OSI. Although the list submitted by OSI overlaps to some extent with the list submitted by GAO, CIA has searched for information concerning close to 500 alleged Nazi war criminals. []

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7. Four employees of the Directorate of Operations (with over 100 years of DO experience among them) spent approximately six months researching Agency files for information relating to Loftus' allegations or to the 500 individuals about whom we were asked. DO file searches revealed that CIA has information on approximately 80 of these individuals. CIA had contact with approximately 40. Based upon the notes and recollections of the DO researcher in charge of CIA's investigation of these allegations, CIA contact with 21 of these individuals occurred after they obtained entry into the United States. In 7 cases there was contact before and after immigration. A summary of these cases follow: []

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UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548



INTERNATIONAL DIVISION

JUN 25 1982

The Honorable William J. Casey
Director, Central Intelligence
Agency
Washington, D.C. 20505

EA # 82-12346

Attention: Director, External Affairs

Dear Mr. Casey:

Several years ago the General Accounting Office issued a report regarding alleged Nazi war criminals residing in the United States. 1/ As you know, this issue has recently been the subject of increasing congressional and public interest. Consequently, the Chairman, House Judiciary Committee, and several Members of Congress have requested us to reopen our review. The work that we plan to do will focus on allegations that agencies of the Federal Government aided the immigration of such criminals to this country and concealed their backgrounds once they were admitted.

In connection with this assignment, we have selected an initial sample of alleged Nazi war criminal cases to review. Enclosed is a listing of names and known aliases of the individuals selected. It has been alleged that some of these individuals were assisted by agencies of the Federal Government to enter the United States and that other Federal agencies were cognizant of this fact. Also, in some instances these individuals may have been sources of information for Federal agencies. To accomplish this assignment, we need to review any information you may have concerning the individuals in question. This would include those documents in your files that were originated by third parties, including other agencies.

You may also have other information we will need access to including (1) records or knowledge of other alleged Nazi

1/"Widespread Conspiracy to Obstruct Probes of Alleged Nazi War Criminals Not Supported by Available Evidence--Controversy May Continue" (GGD-78-73, May 15, 1978).

war criminals assisted by Federal agencies into the U.S., (2) records or knowledge of any Federal program or activity to assist alleged Nazi war criminals to enter the U.S. or aid them after their entry, (3) records or knowledge of any efforts to withhold knowledge of the above from the Immigration and Naturalization Service, the Justice Department, the Congress, or the General Accounting Office, and (4) any investigations or internal studies related to the above. Additionally, we are interested in any records or knowledge you may have concerning the Office of Policy Coordination when it was part of the Department of State and after it was merged with the Central Intelligence Agency as such information relates to the focus of our efforts.

The enclosed list of alleged war criminals should be shown only to individuals within your Department or Agency who will need it to comply with our request. Please do not disseminate the list to anyone outside your Department or Agency without first receiving our authorization to do so.

This project will be managed by Mr. John R. Tipton of our General Government Division. Should you have any questions concerning the matters herein, Mr. Tipton can be reached on 633-1559. The code number of the assignment is 183535. Similar requests have been provided the Departments of Defense, Justice, and State; the Federal Bureau of Investigation; and the Immigration and Naturalization Service. We appreciate your cooperation.

Sincerely yours,



Frank C. Conahan
Director

Enclosure

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